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Proposed Counsel for the Debtors

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
	:	
PACHANGA, INC., <i>et al.</i> , ¹	:	Case No.: 18-12767
	:	(Joint Administration Pending)
Debtors.	:	
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**NOTES, STATEMENT OF LIMITATIONS, METHODOLOGY, AND
DISCLAIMER REGARDING DEBTORS' SCHEDULES AND STATEMENTS**

- ALL DEBTORS -

The Schedules of Assets and Liabilities and Statements of Financial Affairs (the "Schedules and Statements") filed by Pachanga, Inc. and its affiliated debtors and debtors in possession (collectively, the "Debtors"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), were prepared pursuant to 11 U.S.C. § 521 and Federal Rule of Bankruptcy Procedure 1007 by management of the Debtors and are unaudited. The Schedules and Statements remain subject to further review and verification by the Debtors. Subsequent information may result in material changes in financial and other data contained in the Schedules and Statements. The Debtors reserve the right to amend their Schedules and Statements from time to time as may be necessary or appropriate. These Notes, Statement of Limitations, Methodology and Disclaimer Regarding Debtors' Schedules and Statements (the "Notes") are incorporated by reference in, and comprise an integral part of, the Schedules and Statements, and should be referred to and reviewed in connection with any review of the Schedules and Statements.

¹ The Debtors in these chapter 11 cases are: Pachanga, Inc.; Corossol FIKA Tower LLC; Corossol LLC; Corossol Tribeca LLC; FIKA 41 W 58th Street LLC; FIKA 66 Pearl Street LLC; FIKA 141 W 41st Street LLC; FIKA 157 7th Avenue; FIKA 824 10th Ave LLC; FIKA Catering LLC; FIKA Espresso Bars LLC; FIKA Tribeca LLC; FIKA Web Orders LLC; and MILA Solutions LLC. The Debtors corporate headquarters and mailing address is 824 10th Avenue, New York, NY 100019.

1. GAAP: These Schedules and Statements reflect the assets and liabilities of each individual Debtor, except where otherwise noted. These Schedules and Statements do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in the United States.
2. Accuracy. While every effort has been made to file complete and accurate Schedules and Statements, inadvertent error or omissions may exist.
3. Excluded Assets and Liabilities. The Debtors have excluded the following categories of assets and liabilities from the Schedules and Statements: goodwill and other intangible assets which were not carried on the books and records prior to bankruptcy, accrued liabilities including, but not limited to, accrued salaries and employee benefits, tax accruals, and accrued accounts payable. Other immaterial assets and liabilities may also have been excluded.
4. Debtors’ Rights. With respect to any claim against, or obligation of, the Debtors described in these Schedules and Statements, the Debtors may have the right of offset, rights to a refund, counterclaims, defenses and other rights which they have not described herein. These rights, by their nature, generally are unquantifiable and the Debtors have not attempted to describe or quantify these rights herein. The failure to delineate such rights should in no way be construed as a waiver of such rights by the Debtors.
5. Book value. Unless otherwise noted, the Debtors’ assets and liabilities are shown on the basis of their net book value in accordance with the Debtors’ books and records. Thus, unless otherwise noted, the Schedules and Statements reflect the carrying value of the assets and liabilities as recorded on the Debtors’ books, and are not based upon any estimate of their current market value.
6. Claims Description. Any failure to designate a claim on the Schedules and Statements as “disputed,” “contingent,” or “unliquidated” does not constitute an admission by the Debtors that such amount is not “disputed,” “contingent,” or “unliquidated.” The Debtors reserve the right to dispute, or to assert offsets or defenses to, any claim reflected on the Schedules and Statements as to amount, liability and/or classification, or to otherwise subsequently designate any claim as “disputed,” “contingent,” or “unliquidated.”
7. Contingent Assets. The Debtors believe that they may possess certain claims and causes of action against various parties. The Debtors have not set forth all claims or causes of action against third parties or avoidance actions as assets in their Schedules and Statements. The Debtors reserve all of their rights with respect to any claims, causes of action or avoidance actions they may have and nothing contained in these Schedules and Statements shall be deemed a waiver of any such claims, avoidance actions or causes of action or in any way prejudice or impair the assertion of such claims.
8. Schedule E.

Wages. The Debtors have sought, or promptly will seek, authority to pay certain pre-petition employee wages, compensation, benefits and other related obligations (the “Wage Motion”). In light of the relief sought in the Wage Motion, the Debtors have not listed on

Schedule E the pre-petition claims of individual employees relating to wages, compensation, benefits and other related obligations.

9. Schedule G. While the Debtors' existing books, records, and financial systems have been relied upon to identify and schedule executory contracts at each of the Debtors and every effort has been made to ensure the accuracy of the Schedule of Executory Contracts and Unexpired Leases, inadvertent errors or omissions may have occurred. The Debtors hereby reserve all of their rights to dispute the validity, status, or enforceability of any contracts, agreements or leases set forth in Schedule G and to amend or supplement such Schedule as necessary. Certain executory agreements may not have been memorialized and could be subject to dispute. Executory agreements that are oral in nature have not been included in the Schedule. Additionally, the Debtors have not listed confidentiality agreements on the Schedule.

10. Statements of Financial Affairs Question 3. The Debtors have not included in their disclosure of transfers or payments to creditors within the 90 days prior to the petition date, certain payments that were made directly by the Debtors' pre-petition lender, FIKA Acquisitions, LLC to creditors, at the direction of the Debtors. The funds used to make these payments constituted loan proceeds from FIKA Acquisitions LLC to the Debtors. The total amount of such payments is \$365,408.60 through September 5, 2018.